

**MINUTES OF THE  
ECONOMIC DEVELOPMENT AND REVENUE  
APPROPRIATIONS SUBCOMMITTEE**

Room W215 Senate Office Building, State Capitol Complex

February 8, 2010

**Members Present:** Sen. Ralph Okerlund, Co-Chairman  
Rep. Sheryl Allen, Co-Chairman  
Sen. Gene Davis  
Sen. Jerry Stevenson  
Rep. Jackie Biskupski  
Rep. Julie Fisher  
Rep. Chris Herrod  
Rep. Christine Johnson  
Rep. Todd Kiser

**Members Absent:**

**Staff Present:** Dr. Andrea Wilko, Chief Economist  
Dr. Thomas Young, Economist  
Becky Lawyer, Committee Secretary

**Note:** A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Allen brought the meeting to order at 2:17 p.m.

Dr. Thomas Young reviewed the 8 issues shown on the distributed Issue Brief regarding:

- National Motor Vehicle Title Information System
- Sales and Use Tax Administrative Fee Account
- Motor Vehicle Standard Unit Fee
- License Plate Fund
- Postal Rate Increase
- Alcohol Beverage Distribution
- Possible Intent Language

Questions from the committee were discussed

**Tax Commission**

Rod Marrelli, Executive Director, State Tax Commission, introduced Julie Alsop, Budget Director, and Bruce Johnson, Chairman, Tax Commission. A PowerPoint presentation was given, explaining the Tax Commission's mission, which is to collect revenue for the state and

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local governments and to administer tax and motor vehicle laws. The seven Divisions and their responsibilities were discussed, including the number of FTEs, the areas of their employment and responsibilities. It was noted that appeals in income and property tax have increased since FY07. The number of documents processed in 2009 was 2.5 million. Questions from the committee were discussed.

Bruce Johnson, Chairman, Tax Commission, addressed the committee. The Drivers License Division will be opening more offices across the Wasatch Front on Fridays to deal with the long lines occurring due to the new proof of citizenship requirement. The Tax Commission is requesting funding for the South Valley office to open Fridays. The office is shared with the Drivers License Division.

Recent projects and accomplishments were discussed, including national recognition for the Renewal Express and the OnSpot program, as well as the tax modernization system involving income tax, sales tax, corporate tax, and withholding tax.

A request for non-lapsing authority was made.

MOTION: Rep. Allen moved to amend the minutes to change Meg A. President and CEO, Ski Utah to Nathan Rafferty, President and CEO, Ski Utah, and Jenny Smith, Ski Utah. The motion passed unanimously with Rep. Biskupski absent for the vote.

Dr. Young explained USTAR's allocation of \$33 million of the Governor's ARRA funding. Of the Governor's \$5 million budget reduction suggestion, \$3 million of that would come from strategic initiatives and \$2 million from research teams. Questions from the committee were discussed.

## **USTAR**

Ted McAleer, Executive Director, USTAR, introduced Steve Roy, Technology Outreach Director, Central Utah Area, based at UVU, and Curt Roberts, Outreach Director, Northern Utah Outreach Center, based at WSU. A PowerPoint presentation was given and a handout distributed explaining USTAR and its mission. The impact of state funds on research funding leverage was discussed. A study done by the Bureau of Economic Business Research estimates that about 20 new jobs are created from every million dollars of research funding. It is also estimated that 2508 new jobs may have been created since the creation of USTAR. Two successful case studies were discussed.

Steve Roy, Director, Technology Outreach, addressed the committee. The history of the digital media industry in Utah was discussed, which includes companies such as Netscape, Adobe, Atari, Sgi, Pixar, and Evans & Sutherland. Mr. Roy discussed their connection to Utahns who either developed the technology or created the parts to do them. Companies such as 7Studios,

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Sandman Studios, EASports, Daz3D, Lumenas, Smart Bomb Interactive, EatSleepPlay, and Disney Interactive Studios were bought by other companies and left in the state. USTAR's involvement in this area was discussed.

The PushButton Summit, to be held March 8 of this year in Salt Lake City was discussed. The keynote speaker will be John E. Warnock, co-founder of Adobe. The purpose of this conference is to educate, inform, and connect Utah's digital media businesses

The Micro- and nano-sized devices industry was discussed, including engineering for amputees, high-resolution optics, and ultra-high resolution solar cells. The development of efficient, economic and environmentally-benign energies were also discussed. Questions from the committee were discussed.

Kurt Roberts, Technology Outreach Director, addressed the committee. The impact of USTAR in Northern Utah was discussed. The primary objective, which is to support commercialization of USTAR research designs was discussed. Current research projects were discussed, including environmental technology research. Other projects at Weber State were discussed, such as synthetic saliva, a wireless aviation headset, a hydration system for outdoor sports, personnel selection software and laser peening of landing gear. Other projects and goals were discussed, as well as questions from the committee.

Request for non-lapsing funding and four vehicles from motor pool for purchase instead of leasing was made. Questions and comments from the committee were discussed.

MOTION: Sen. Stevenson moved to adjourn. The motion passed unanimously with Rep. Fisher absent for the vote.

Rep. Allen adjourned the meeting at 4:01 p.m.

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Sen. Ralph Okerlund, Co-Chair

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Rep. Sheryl L. Allen, Co-Chair